

South Carolina Research Centers of Economic Excellence Summary of Purposes and Goals

During the 2002 legislative session, the South Carolina General Assembly passed the *South Carolina Research Centers of Economic Excellence Act*. With an allocation of \$30 million in lottery funds, to be matched on a dollar-for-dollar basis with non-state funds, the General Assembly established a competitive grants program to award to South Carolina's three research universities funds endowed professorships in areas that will enhance economic opportunities for the state's citizens.

The Act created the *Centers of Excellence Matching Endowment*, which is to be funded annually by appropriations from the South Carolina Education Lottery Account in an aggregate amount not to exceed \$200 million by 2010. Moreover, the Act established the *Research Centers of Excellence Review Board* consisting of twelve members; the Commission on Higher Education provides staff assistance to the Board. The *Board* is responsible for awarding state matching funds, for oversight and operation of the fund, and for various accountability requirements established in statute for the program.

The legislation establishing this program is very explicit as to its purpose:

“It is in the public interest to create incentives for the senior research universities of South Carolina consisting of Clemson University, the Medical University of South Carolina, and the University of South Carolina to raise capital from the private sector to fund endowments for professorships in research areas targeted to create well-paying jobs and enhanced economic opportunities for the people of South Carolina.”

The legislation goes on to say that the endowed professorships should be “used to recruit and maintain leading scientists and engineers at the senior research universities of South Carolina for the purposes of developing and leveraging the research capabilities of the universities for the creation of well-paying jobs and enhanced economic opportunities in knowledge-based industries for all South Carolinians.”

Made explicit largely through its title is the intent of the program to create a critical mass of senior researchers around whom a Center of Excellence can be built. Such a Center will include other senior and junior faculty, graduate students, and public/private partnerships with business and industry. Through research and its eventual application, the clear expectation of the act is that job creation and other economic stimuli (e.g., patents, licenses) will result over time.

The legislation acknowledges the success of other communities in creating economic opportunity through knowledge-based industries by providing through their state or local governments incentives and a long-term commitment to public and private funding for “a significant number of endowments for professorships in targeted knowledge-based industries.” Thus, the program's stated intent is to provide \$30 million

from lottery funds, to be matched by the institutions on a dollar for dollar basis by “private” funds, each year through the year 2010.

The legislation stipulates that awards are to be made through a competitive application process which encourages collaboration among the three research institutions as well as cooperation with other higher education institutions. Funding decisions are to be made by a nine member Research Centers of Excellence Review Board, three members of which are appointed by the Governor, the President Pro Tem of the Senate, and the Speaker of the House respectively.